



CELEBRATING 15 YEARS OF COMMUNITY IMPACT



2011 Annual Report



Community Development Financial Institution

building healthy communities

creating financial strength

providing innovative solutions

funding dreams for tomorrow

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www.ClearinghouseCDFI.com • www.ClearinghouseNMTC.com

A History of Clearinghouse CDFI

1996

Clearinghouse CDFI incorporates as a for-profit corporation.

First private placement offering for Core lending is issued.

1998

Certified as State CDFI through COIN

Received first 0% deposit: Chase Manhattan Bank, \$100,000

First offering closed: \$1 million equity, \$10 million loan funds



1999 - 2000

Second private placement offering for Core lending is issued

Clearinghouse CDFI receives a CDFI Fund Core Award: \$2 million

First year of profitability - three years ahead of schedule

1997

Certified as a Community Development Financial Institution by the U.S. Dept. of Treasury, CDFI Fund

First Investor closing: Coast Fed. Bank, Southern CA Fed. Savings, CA United Bank, Fullerton Savings

Fidelity Federal Bank becomes largest investor: \$200,000 equity, \$2 million loan funds

First loan funded in Santa Ana, CA

2001 - 2002

Awarded the CDFI Financial Performance Award: Sponsored by Wachovia Bank

Impact Milestone: 250 permanent jobs created or retained

Second CDFI Fund Core Award: \$1.5 million

2003

Awarded first New Markets Tax Credits allocation: \$56 million

Third private placement offering for Core lending is issued

Impact Milestone: 1,500 affordable housing units created

First single family home loan is funded

2004

Core lending reaches \$50 million

Funded Market Creek Plaza - first resident owned shopping center: Wells Fargo CDC \$15 million NMTC investment

Cumulative lending exceeds \$100 million

2005

Parent assets reach \$62 million

Awarded second NMTC allocation: \$75 million

First use of NMTC funds in for-sale affordable housing project

Issued first shareholder dividend



2006

Impact Milestone: 3,000 childcare spaces created

Funded \$63 million for first-time homebuyers, assisting 213 families

Cumulative lending exceeds \$350 million



2007

Core lending reaches \$100 million

Clearinghouse CDFI is named a Wachovia NEXT Awards Finalist

Clearinghouse CDFI opens Northern California office



2008

Clearinghouse CDFI is featured in Newsweek magazine for success and ethics in single family lending

Clearinghouse CDFI creates \$40 million CRA Investment Fund

Awarded fourth NMTC allocation: \$90 million



2009

Retained earnings exceed \$5 million

Impact Milestone: 200,000 individuals served annually through community development loans

Cumulative lending exceeds \$600 million

Awarded fifth NMTC allocation: \$100 million

2010

Communities at Work Fund Recipient: \$13 million

Impact Milestone: 7,400 student spaces created or retained

Cumulative lending exceeds \$750 million



VISION

2012 - 2013

Clearinghouse CDFI opens a new office in Las Vegas, Nevada to provide affordable housing and community development lending throughout the state.



Clearinghouse CDFI lends \$4.2 million in our first Nevada project in Reno

2011

Clearinghouse CDFI becomes the first CDFI to borrow from the Federal Home Loan Bank

Fifth CDFI Fund Core Award: \$1.5 million

Retained earnings exceeds \$10 million

First NMTC transaction matures



Dear Shareholders & Friends:

Douglas J. Bystry
President / CEO



Douglas J. Bystry

Alan Orechwa
Chairman of the Board



Alan Orechwa

We celebrate fifteen years of impactful community development lending by looking back on our accomplishments in 2011. Clearinghouse CDFI attained our twelfth consecutive year of profitability while once again realizing a new record-level of corporate earnings. Our lending continued to address a variety of unmet credit needs while improving the lives of low-income residents and families. We are excited about our recent geographic expansion into the State of Nevada and look forward to sustained growth and continued impact in our new two-state service area.

Eighty-two loans, totaling over \$97 million, were funded in 2011. Lending into neighborhoods with high single-family home foreclosure rates represented a significant growth area for us. Additionally, we partnered with Affordable Housing Clearinghouse to purchase and rehabilitate 24 homes in some of the most distressed neighborhoods throughout the state. We also closed \$57 million in larger highly-impactful New Markets Tax Credit (NMTC) projects in 2011.

Our pre-tax profit for 2011 was \$4.33 million; a 14% increase over 2010. We received new equity investments in 2011 of \$1.1 million. For the seventh consecutive year, we paid a dividend to all "Class A" shareholders providing a consistent and reliable return on their equity investment. In 2011, we became the first non-depository CDFI in the nation to borrow from a Federal Home Loan Bank, ending the year with \$16.4 million in outstanding debt from the San Francisco FHLB.

Nevada represents a historic expansion for Clearinghouse CDFI. Unemployment and foreclosure rates in Nevada are the highest in the nation. Consistent with our mission of addressing unmet credit needs, we look forward to making impactful loans in a state that has lost many regional lenders. We bring our strong track record of successful deployment and community development capital to this state that has suffered greatly. We look forward to working closely with new investors and stakeholders to create jobs and assist in the economic recovery of Nevada.

**Our pre-tax profit for 2011
was \$4.33 million; a 14%
increase over 2010.**

As we reflect on the past fifteen years we are most grateful and appreciative of the tremendous support we have received from our shareholders, board members, staff, and committee volunteers. Our growth and success has truly been remarkable considering our humble beginning with little more than the concept that "community development lending can be sustainable". With your assistance, we will continue making new and impactful loans as we address unmet credit needs throughout California and Nevada.



Shelter for the Homeless

COMPTON, CALIFORNIA

\$106,020

Shelter for the Homeless used a Clearinghouse CDFI loan to further their mission of providing housing for low-income families by acquiring and rehabilitating this single family home in a distressed community.

This nonprofit, with a long-term history of working in the community, has developed more than 330 total units of emergency transitional and permanent housing. They currently assist over 1,000 clients on any given night.





Harbor City / Harbor Gateway Boys & Girls Club

HARBOR CITY, CALIFORNIA
\$400,000

Clearinghouse CDFI funded a loan for the construction of a Boys and Girls Club in the Harbor City community of Los Angeles. The state-of-the-art facility includes a gym, a computer learning center and a nutrition area. It provides a safe and positive environment for at-risk youth ages 6 to 18 years old.

The Boys and Girls Clubs of South Bay currently provide services to over 2,500 at-risk youth and over 400 parents annually.



New Solutions



“The only wheelchair parts distributor owned and operated by the disabled”

RIVERSIDE, CALIFORNIA

\$1,100,000

With several loans from Clearinghouse CDFI, New Solutions has expanded from a small, two-person operation to the second largest wheelchair parts distributor in the country.

Owners Leonard Graves and Nick Hambrick began operating in 1995 out of Leonard’s garage, entering the market as “the only wheelchair parts distributor owned and operated by the disabled”. Our financing facilitated the expansion of their building, provided permanent working capital to purchase wheelchair parts in bulk, and begin manufacturing at their own facility.



2000
-
2002

Young Women's Christian Association of Orange County (YWCA)



ORANGE, CALIFORNIA \$300,000

Clearinghouse CDFI provided financing to Young Women's Christian Association (YWCA) of Orange County to refinance a hard-money loan and provide working capital for their childcare facility serving low-income, working families. This nonprofit faced an uncertain future when their primary donor reduced their contribution, putting at risk their childcare, job training and healthcare services for women and children. Our loan stabilized the organization and they recently celebrated 90 years of offering services in Orange County.





Preferred Freezer Services / Polar West

VERNON, CALIFORNIA
\$1,500,000

Clearinghouse CDFI provided permanent financing to Preferred Freezer/Polar One West for their new cold storage facility and refrigerated warehouse space in Vernon, CA.

The facility specializes in seafood storage and provides full-time employment for 51 workers in a low-income area.



H.O.M.E.S., Inc.

ORANGE, CALIFORNIA

\$155,000

H.O.M.E.S., Inc. used Clearinghouse CDFI loan funds to refinance a home accommodating six special needs residents. This nonprofit organization promotes resident recovery services by enhancing psychiatric stability. The H.O.M.E.S. program provides social services, transitional living skills and quality affordable housing for adults living with mental illness.



2003
-
2005



Institute for Maximum Human Potential



LOS ANGELES, CALIFORNIA
\$315,000

Clearinghouse CDFI refinanced an educational and counseling facility for at-risk youth in South Los Angeles.

Institute for Maximum Human Potential is a nonprofit organization that provides educational and counseling services for at-risk youth from troubled homes, foster care, emancipated youth transition, and the juvenile justice system. Our loan reduced their interest rate by 3.5% and saved them over \$20,000 annually.



Market Creek Partners, Inc.

SAN DIEGO, CALIFORNIA

\$15,000,000

Market Creek Partners received a below market rate, permanent loan from Clearinghouse CDFI as part of a New Markets Tax Credit (NMTC) investment from Wells Fargo Community Development Corporation. The unique project is a shopping /community center that was conceived, constructed and is owned in-part by local residents. The center includes a Food 4 Less, a Wells Fargo branch, and several locally owned businesses and restaurants.



Market Creek Plaza spurred neighborhood revitalization and local ownership to eliminate blight, expand resources and drive positive community change.



Donna J. Gambrell, Director of Treasury's Community Development Financial Institutions (CDFI) Fund, and Douglas J. Bystry, President/CEO of Clearinghouse CDFI, tour Market Creek Plaza.

Chabad of Greater Los Feliz

LOS ANGELES, CALIFORNIA
\$1,057,500

Chabad of Greater Los Feliz received a Clearinghouse CDFI loan to purchase a new synagogue to accommodate their rapidly growing congregation. The new facility serves the local Jewish Community and includes a full kitchen to cater weddings, bar/bat mitzvahs, and other holiday celebrations.



2006

—

2008



New Vista School (La Monte Academie)

LAGUNA HILLS, CALIFORNIA
\$900,000

Clearinghouse CDFI delivered lower interest rate financing that enabled New Vista School to rehabilitate their facility, acquire new educational equipment, complete the school playground, and produce promotional marketing materials.

New Vista serves children with Asperger syndrome, high-functioning autism, and language learning disabilities. The school provides a challenging curriculum, quality teachers, and an atmosphere that emphasizes communication and cooperation.



SUPPORTING HEROES DONOR WALL

THIS WALL WAS MADE AVAILABLE THROUGH GENEROUS DONATIONS



North County Interfaith Council

OCEANSIDE, CALIFORNIA
\$2,800,000

Clearinghouse CDFI provided permanent financing for the acquisition of a 19 unit multi-family project to house 72 homeless veterans, including women. Interfaith is a nonprofit social service provider with more than 5,300 volunteers and 400 faith-based centers.

In 2011, Interfaith served over 35,800 individuals by offering homeless shelters, veteran services, senior services, and drug counseling and rehabilitation.



The Teen Project

LAKE FOREST, CALIFORNIA

\$294,000

Clearinghouse CDFI provided a loan to The Teen Project, a nonprofit organization that provides shelter and needed services for emancipated youth. The Teen Project utilized the Clearinghouse CDFI loan to acquire their first single-family property, providing a home for six teenagers emancipated from the foster care system.

Since the acquisition of that home in 2008, Teen Project has served 31 at-risk young women with a variety of social services.



February 2012:

People | HEROES AMONG US

Teen Project was featured in a 2012 People Magazine article titled, "A Home and Heart for Troubled Girls".



2009
-
2010

Heritage Housing Partners



PASADENA, CALIFORNIA \$1,250,000

Heritage Housing Partners (HHP) received a Clearinghouse CDFI loan to rehabilitate six single-family housing units into affordable, for-sale housing for low- and moderate-income homebuyers. HHP creates affordable housing and supports neighborhood revitalization through the preservation of existing historic homes and new construction of single-family residences.

Clearinghouse CDFI has funded loans for multiple HHP projects, including the first multi-jurisdictional for-sale housing NMTC project in the nation. To date, HHP has provided over 150 affordable units in the San Gabriel Valley.





Samoan Congregational Community Church

CARSON, CALIFORNIA

\$1,000,000

The Samoan Congregational Community Church is the epicenter for culture and worship for the Samoan community in Southern California. A Clearinghouse CDFI loan was used to build a permanent place of worship in Carson, CA. The church offers choir practices, youth fellowship events, weddings/funerals, Sunday school, bingo, church meetings, prayer services, educational classes, social activities and fundraising events.



2011 Highlights:

- First CDFI to Borrow from the Federal Home Loan Bank: \$16.4 Million
- Retained Earnings Reached \$10.6 Million, which for the First Time, Exceeded Total Contributed Capital
- New Markets Tax Credit Transactions: \$57.3 Million
- Core Lending Exceeded \$40 Million, a 56% Increase over 2010
- Pre-Tax Profit Total: \$4.3 Million

2011

Native American Natural Foods

NANF produces healthy, buffalo meat snacks from a traditional Native American recipe called “Wasna”.



KYLE, SOUTH DAKOTA

\$1 MILLION IN LOANS AND EQUITY

Clearinghouse CDFI funded a working capital loan and equity investment to help sustain the rapid growth of Native American Natural Foods (NANF) - keeping the company in business and preserving jobs on the reservation. NANF is using the funds to secure supply chain, satisfy increased production orders, and expand into new markets. Clearinghouse CDFI is proud to support this “healthy foods” product and support this entrepreneurial endeavor benefitting the Lakota people.



Native American Natural Foods (NANF) is a Native American owned natural foods retail company located on the Pine Ridge Indian Reservation in South Dakota. The company produces a line of healthy meat snack products under the “Tanka” brand name. These products are made from buffalo and cranberry based on a traditional Native American recipe called “Wasna”. The company, facing cash-flow issues as a result of rapid growth, was turned down by numerous conventional and community-based lenders.



NANF has experienced tremendous sales growth. The company was recently featured in an ABC 20/20 special report titled “Hidden America: Children of the Plains”. The special examined the unique challenges faced by families living on the Pine Ridge Indian reservation and documents the tenacious spirit of the Lakota people.



ABC 20/20 Special:
**“CHILDREN OF
THE PLAINS”**

Featuring Native
American Natural
Foods & Tanka Bar

Diane Sawyer
reports on the young
dreamers of the Pine
Ridge Reservation.

Community Development



Launchpad Development Five, LLC

SAN JOSE, CALIFORNIA
\$1,875,000

Clearinghouse CDFI provided a leveraged NMTC loan to Launchpad Development Company to build a new charter school in San Jose. The charter school is operated by Rocketship Education, a well known Charter Management Organization. This school serves 500 low-income students in San Jose, CA. In partnership with two other CDFIs, the project was completed in record time for the start of the 2011-2012 school year.





Affordable Housing

Hello Housing & Housing Consortium of East Bay

HAYWARD, CALIFORNIA

\$1,157,840

This project is a successful partnership between two nonprofit organizations who create better living environments for those with developmental disabilities. Hello Housing Services, an experienced specialized housing developer, purchased and rehabilitated this home. The property then transferred to Housing Consortium of the East Bay, an organization that works closely with the Regional Center to own and manage housing for individuals with development disabilities.

Clearinghouse CDFI provided the acquisition, rehabilitation, and permanent financing that moved medically-fragile, developmentally disabled adults into a permanent supportive home.





New Markets Tax Credits



Before

One Santa Fe, LLC

LOS ANGELES, CALIFORNIA
\$13,720,000

Clearinghouse CDFI provided \$13,720,000 in New Markets Tax Credit loans for a \$23.7 million project to construct a mixed use property in downtown Los Angeles, CA.

The project will include 88 affordable and 350 market rate apartment units above 73,000 sq. ft. of commercial and retail space. Tenants will include a local community organization, the L.A. Transportation Authority, and a much needed grocery store. The project will support the creation of 1,900 construction jobs, and once completed, will create approximately 400 full-time jobs.





Purchase / Rehab / Resale Program

In 2011, Clearinghouse CDFI strengthened the Purchase/Rehab/Resale program to stabilize neighborhoods suffering from foreclosures and abandonment. Clearinghouse CDFI currently works with the Neighborhood Community Stabilization Trust and Chase to buy bank owned properties at discounts available only to nonprofits and CDFI's. Clearinghouse CDFI utilizes these programs to purchase a larger volume of homes, rehabilitate them for low- and moderate-income homebuyers, and create additional impact in blighted communities throughout California.

Clearinghouse CDFI / Affordable Housing Clearinghouse Partnership:

In a lending/equity partnership with our nonprofit affiliate, Affordable Housing Clearinghouse, we rehabilitated highly distressed properties and made homeownership a reality for 18 low- to moderate-income families. A total profit of \$339,207 created a valuable income stream for both partners, and enabled our continued service to the low-income community.

BELLFLOWER, CALIFORNIA



BEFORE



AFTER

Purchase / Rehab / Resale Program

Clearinghouse CDFI Direct Investment Program:

In 2011, Clearinghouse CDFI began a direct investment program to purchase REO properties on our own. We purchased and sold 6 properties in low-income areas with a \$1.5 million investment line using CDFI cash. This program allows Clearinghouse CDFI to expand activity beyond the capacity of our nonprofit partner.

Together, Clearinghouse CDFI and Affordable Housing Clearinghouse successfully improved property values in the surrounding neighborhoods of the homes we transformed. Our partnership made it possible for 24 families to achieve the dream of homeownership.

GARDEN GROVE, CALIFORNIA



BEFORE



AFTER

Boards & Committees

Clearinghouse CDFI Board of Directors and Executive Team



Left to Right: Kristy Ollendorff - Clearinghouse CDFI; Jay Harrison - Clearinghouse CDFI; David Levy - Fair Housing Council of Orange County; J. Chris Walsh - Sunwest Bank; Terrin Enssle - Opus Bank; Alan Orechwa - Jr. Achievement; Alva Diaz - Wells Fargo Bank; Gary Dunn - CapitalSource Bank; Susan Montoya - First Bank; Mark Rebal - California Republic Bank; Pat Neal - Neal Estate, Inc.; Glen Pacheco - US Bank; Ray Nayar - AOF/Pacific Affordable Housing Corp.; Douglas J. Bystry - Clearinghouse CDFI; Melissa DeMotte - Clearinghouse CDFI

Loan Committee

Glen Pacheco, Chair	US Bank
Alan Orechwa	Jr. Achievement
Gary Dunn	CapitalSource Bank
Wesley Wolf	Wolf & Company, Inc.
Waheed Karim	US Bank
Laura Green	Sunwest Bank
Jeff Spinelli	Farmers & Merchants Bank
Melody Nava	Orange County Community Housing Advisory Board
Douglas J. Bystry	Clearinghouse CDFI

Purchase / Rehab / Resale Board

Susan Montoya, Chair	First Bank
Gary Dunn	CapitalSource Bank
Kristy Ollendorff	Clearinghouse CDFI
Chris Walsh	Sunwest Bank
Ron Rohrer	Neighborhood Housing Services of Orange County
Toni Dwyer	Osher Lifelong Learning Institute

Boards & Committees

Community / New Markets Tax Credit Advisory Board



Left to Right: Dr. Raymond Turner - Inland Empire; Alan Woo - Orange County; Tim Johnson - Sacramento-Northern California; Anne Griffith - San Francisco Bay Area; Stanley Tom - Central Valley-South; David Levy - Board of Directors Liaison; Mike McCraw - San Diego/Imperial County

Not Pictured: Delores Brown - Los Angeles County; Angela Quinn - Nevada

Asset Review Committee

Glen Pacheco, Chair	US Bank
Elsa Monte	Sunwest Bank
Sean Birney	JP Morgan Chase Bank
John Marder	First Bank
Lorena Mendez-Quezada	Wells Fargo Bank
David Sharp	CapitalSource Bank
Terrin Enssle	Opus Bank
Mark Rebal	California Republic Bank

ALCO Committee

Terrin Enssle, Chair	Opus Bank
Alan Orechwa	Jr. Achievement
David Levy	Fair Housing Council of Orange County
Susan Montoya	First Bank
Douglas J. Bystry	Clearinghouse CDFI
Melissa DeMotte	Clearinghouse CDFI

Shareholders

Class A Shareholders



Class C Shareholders

U.S. Dept. of Treasury
CDFI Fund



Shareholders

New Markets Tax Credit Investors



CRA Investment Fund



Depositors



Erich and Hannah Sachs Foundation

Other Investors / Lenders



Financials

Clearinghouse Community Development Financial Institution Companies

Combined Balance Sheets
December 31, 2010 and 2011

ASSETS

	2010	2011
Cash and cash equivalents	40,131,000	\$ 37,527,000
Certificates of deposit	1,000,000	1,000,000
Loans receivable, net	384,887,000	434,338,000
Accrued interest receivable	1,325,000	1,409,000
Deferred taxes	1,581,000	2,227,000
Fixed assets, net	122,000	86,000
Other real estate owned	469,000	97,000
Investment in distressed single family properties	1,260,000	654,000
Other receivables and prepaid expenses	1,698,000	1,451,000
Other assets	407,000	407,000
Investment in other companies	11,680,000	12,714,000
TOTAL ASSETS	\$ 444,560,000	\$ 491,910,000

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts payable and accrued expenses	2,538,000	\$ 3,088,000
Accrued interest payable	476,000	289,000
Lines of credit	3,828,000	2,733,000
Interest-bearing deposits	750,000	550,000
Non-interest-bearing deposits, stockholders	2,150,000	1,950,000
Notes payable, Class A stockholders	46,900,000	37,927,000
Other notes payable	11,800,000	10,800,000
Advances from Federal Home Loan Bank of San Francisco	-	16,400,000
TOTAL LIABILITIES	68,442,000	73,737,000

STOCKHOLDERS' EQUITY

Common stock, no par value		
Class A	5,730,000	6,863,000
Class C	3,580,000	3,580,000
Retained earnings	5,953,000	9,076,000
Total controlling equity	15,263,000	19,519,000
Total noncontrolling equity	360,855,000	398,654,000
TOTAL STOCKHOLDERS' EQUITY	376,118,000	418,173,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 444,560,000	\$ 491,910,000

Financials

Clearinghouse Community Development Financial Institution Companies

Combined Statements of Income
For the years ended December 31, 2010 and 2011

	2010	2011
INTEREST INCOME		
Interest on loans receivable	\$ 15,437,000	\$ 17,846,000
Interest-bearing deposits	123,000	114,000
Total interest income	15,560,000	17,960,000
INTEREST EXPENSE	(2,405,000)	(1,793,000)
Net interest income	13,155,000	16,167,000
PROVISION FOR LOAN LOSSES		
Provision for loan losses - Company	(1,474,000)	(1,304,000)
Provision for loan losses - NMTC	(134,000)	(9,962,000)
Total provision for loan losses	(1,608,000)	(11,266,000)
Net interest income after provision for loan losses	11,547,000	4,901,000
NON INTEREST INCOME		
Fees and gains on sale of single family loans	98,000	-
Other loan fees	390,000	343,000
Grants and other	773,000	1,570,000
Investment income	33,000	42,000
Income from investment in distressed single family properties	85,000	358,000
Management fees	1,004,000	1,286,000
Sponsor fees	259,000	301,000
Gain/(loss) on sale of other real estate	(8,000)	684,000
Total non interest income	2,634,000	4,584,000
NON INTEREST EXPENSE		
Compensation and related benefits	2,628,000	3,095,000
Insurance	208,000	208,000
Investment loss	1,307,000	229,000
Professional fees	482,000	176,000
Depreciation and amortization	139,000	74,000
Rent	186,000	192,000
Charitable contributions	99,000	102,000
Historic tax credit investment amortization	-	815,000
Other expenses	525,000	502,000
Total non interest expense	5,574,000	5,393,000
Income before provision for income taxes	8,607,000	4,092,000
Provision for income taxes	1,436,000	1,285,000
Net income	\$ 7,171,000	\$ 2,807,000

Financials

Clearinghouse Community Development Financial Institution Companies

Consolidating and Combining Balance Sheet
December 31, 2010 and 2011

	2010 Clearinghouse CDFI Parent Consolidated	2011 Clearinghouse CDFI Parent Consolidated	NMTC LLC's	CRA Investment Fund	LLC Elimination	2011 Combined Total
ASSETS						
Cash and cash equivalents	\$ 28,339,000	\$ 9,807,000	\$ 26,774,000	\$ 946,000	\$ -	\$ 37,527,000
Certificates of deposit	1,000,000	1,000,000	-	-	-	1,000,000
Loans receivable, net	48,240,000	76,287,000	323,927,000	34,124,000	-	434,338,000
Accrued interest receivable	262,000	372,000	914,000	123,000	-	1,409,000
Deferred taxes	1,581,000	2,227,000	-	-	-	2,227,000
Fixed assets, net	122,000	86,000	-	-	-	86,000
Other real estate owned	469,000	97,000	-	-	-	97,000
Investment in foreclosed single family properties	1,260,000	654,000	-	-	-	654,000
Other receivables and prepaid expenses	1,658,000	1,408,000	305,000	-	(262,000)	1,451,000
Other assets	-	-	1,805,000	-	(1,398,000)	407,000
Investment in other companies	2,192,000	2,415,000	18,951,000	-	(8,652,000)	12,714,000
Due from other companies	1,000,000	1,104,000	260,000	2,000	(1,366,000)	-
TOTAL ASSETS	\$ 86,123,000	\$ 95,457,000	\$ 372,936,000	\$ 35,195,000	\$ (11,678,000)	\$ 491,910,000
LIABILITIES AND STOCKHOLDERS' EQUITY						
LIABILITIES						
Accounts payable and accrued expenses	\$ 2,736,000	\$ 3,131,000	\$ 126,000	\$ -	\$ (169,000)	\$ 3,088,000
Accrued interest payable	476,000	289,000	-	-	-	289,000
Lines of credit	3,828,000	2,733,000	-	-	-	2,733,000
Interest-bearing deposits	750,000	550,000	-	-	-	550,000
Non-interest-bearing deposits, stockholders	2,150,000	1,950,000	-	-	-	1,950,000
Notes payable, stockholders	46,900,000	37,927,000	-	-	-	37,927,000
Other notes payable	11,800,000	10,800,000	-	-	-	10,800,000
Advances from Federal Home Loan Bank of San Francisco	-	16,400,000	-	-	-	16,400,000
Due to other companies	648,000	649,000	578,000	150,000	(1,377,000)	-
TOTAL LIABILITIES	\$ 69,288,000	\$ 74,429,000	\$ 704,000	\$ 150,000	\$ (1,546,000)	\$ 73,737,000
STOCKHOLDERS' EQUITY						
Common stock, no par value						
Class A	\$ 5,730,000	\$ 6,863,000	\$ -	\$ -	\$ -	\$ 6,863,000
Class C	3,580,000	3,580,000	-	-	-	3,580,000
CDFI Service Corporation	-	-	-	-	-	-
Retained earnings	7,525,000	10,585,000	-	-	(1,509,000)	9,076,000
Controlling equity	16,835,000	21,028,000	-	-	(1,509,000)	19,519,000
Noncontrolling equity	-	-	372,232,000	35,045,000	(8,623,000)	398,654,000
TOTAL STOCKHOLDERS' EQUITY	16,835,000	21,028,000	372,232,000	35,045,000	(10,132,000)	418,173,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 86,123,000	\$ 95,457,000	\$ 372,936,000	\$ 35,195,000	\$ (11,678,000)	\$ 491,910,000

Financials

Clearinghouse Community Development Financial Institution Companies

Consolidating and Combining Statements of Income

For the years ended December 31, 2010 and 2011

	2010 Clearinghouse CDFI Parent Consolidated	2011 Clearinghouse CDFI Parent Consolidated	NMTC LLC's	CRA Investment Fund	LLC Elimination	2011 Combined Total
INTEREST INCOME						
Interest on loans receivable	\$ 4,460,000	\$ 4,286,000	\$ 10,853,000	\$ 2,707,000	\$ -	\$ 17,846,000
Interest-bearing deposits	116,000	110,000	4,000	-	-	114,000
Total interest income	4,576,000	4,396,000	10,857,000	2,707,000	-	17,960,000
INTEREST EXPENSE	(2,405,000)	(1,793,000)	-	-	-	(1,793,000)
Net interest income	2,171,000	2,603,000	10,857,000	2,707,000	-	16,167,000
PROVISIONS						
Provision for loan losses	(1,474,000)	(1,454,000)	(9,962,000)	-	150,000	(11,266,000)
Net interest income after provision for loan losses	697,000	1,149,000	895,000	2,707,000	150,000	4,901,000
NON INTEREST INCOME						
Fees and gains on sale of single family loans	98,000	-	-	-	-	-
Grants and other income	773,000	1,554,000	3,000	13,000	-	1,570,000
Other loan fees	318,000	286,000	50,000	7,000	-	343,000
Investment income	33,000	42,000	132,000	-	(132,000)	42,000
Income from investment in distressed single family properties	85,000	358,000	-	-	-	358,000
Management fees	2,804,000	3,236,000	353,000	-	(2,203,000)	1,286,000
Sponsor fees	2,414,000	1,406,000	-	-	(1,105,000)	301,000
Flow-through income from subsidiaries	829,000	793,000	-	-	(793,000)	-
Total non interest income	7,354,000	7,675,000	538,000	20,000	(4,333,000)	3,900,000
NON INTEREST EXPENSE						
Compensation and related benefits	2,628,000	3,095,000	-	-	-	3,095,000
Insurance	208,000	208,000	-	-	-	208,000
Organization & start-up costs	-	-	221,000	-	(221,000)	-
Investment loss	-	-	229,000	-	-	229,000
Professional fees	447,000	186,000	(10,000)	-	-	176,000
Depreciation	68,000	74,000	-	-	-	74,000
Amortization	-	-	248,000	-	(248,000)	-
Management fees	-	-	1,801,000	512,000	(2,313,000)	-
Rent	186,000	192,000	-	-	-	192,000
Charitable contributions	99,000	102,000	-	-	-	102,000
Historic tax credit investment amortization	-	815,000	-	-	-	815,000
Gain on sale of other real estate	85,000	(684,000)	-	-	-	(684,000)
Other expenses	525,000	502,000	-	-	-	502,000
Total non interest expense	4,246,000	4,490,000	2,489,000	512,000	(2,782,000)	4,709,000
Income (loss) before provision for income taxes	3,805,000	4,334,000	(1,056,000)	2,215,000	(1,401,000)	4,092,000
Provision for income taxes	1,378,000	1,204,000	71,000	10,000	-	1,285,000
Net income (loss)	\$ 2,427,000	\$ 3,130,000	\$ (1,127,000)	\$ 2,205,000	\$ (1,401,000)	\$ 2,807,000





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